

481—71.5(10A) Repayment process. Payments are made in cash or by allotment reduction. The amount of allotment reduction is different for agency and client error. Title 7, Code of Federal Regulations, Section 273.18(g), and Iowa Administrative Code 441—46.5(239), “Source of recoupment,” explain the amounts. Methods of collection may include but are not limited to the following:

71.5(1) Active cases. When an overpayment is made in the food assistance, FIP, RCA, Medicaid, SSA, CCA, PROMISE JOBS or HAWK-I program, a demand letter of overissuance is sent to the debtor.

a. An FIP or RCA overpayment is collected by grant reduction or cash payment. Grant reduction must be used when the case is active unless there is a cash agreement that exceeds the amount that may be collected by grant reduction and the cash payments are actually being made.

b. A food assistance overpayment is collected by cash payment, returned food assistance, or benefit reduction. If the debtor chooses not to make payment in cash or food assistance, the benefit reduction amount is determined by DHS. If a debtor chooses cash payment, the amount cannot be less than the benefit reduction amount. The debtor may choose to repay more than the minimum required for benefit reduction.

c. A Medicaid, State Supplementary Assistance or HAWK-I overpayment is collected by cash payment only.

d. A PROMISE JOBS overpayment is collected by the following method in accordance with Iowa Administrative Code 441—Chapter 93:

(1) Offsetting. The PROMISE JOBS unit will adjust the amount owed whenever possible.

(2) When offsetting is not possible or appropriate, the department of inspections and appeals will be notified by the PROMISE JOBS unit to initiate recovery. The method of recovery will be the same as that utilized for the FIP program, except the FIP grant will not be reduced to effect recovery without the FIP client’s written permission.

e. A transitional child care overpayment is collected by the following method in accordance with Iowa Administrative Code 441—Chapter 49:

(1) Offsetting. The income maintenance worker will adjust the amount owed whenever possible.

(2) When offsetting is not possible or appropriate, the department of inspections and appeals will be notified by the income maintenance worker to initiate recovery. The method of recovery will be the same as that utilized for the FIP program, except the FIP grant will not be reduced to effect recovery without the client’s written permission should the TCC client reestablish FIP eligibility.

f. All crediting information on recoveries made through offsetting shall be transmitted to the DHS cashier.

g. The other human service assistance overpayments are collected by cash payments from the debtor. The repayment contract (Form 470-0495) is sent to the debtor along with a cover letter explaining the overpayment. A reasonable amount and rate of payment are determined by the debtor and are reviewed by the recovery unit when the form is received.

71.5(2) Closed cases.

a. A demand letter is sent to the debtor.

b. A repayment contract (Form 470-0495) is sent to the debtor for human service assistance overpayments.